(c) and (d). Revenue expected to be generated by these units would depend on the build up of their production from year to year. As per current policy, Government is no longer imposing any export obligation on these companies. However, some automobile companies have entered into Memorandum of Understanding alongwith projections of their exports.

(e) and (f). The foreign companies having majority shareholding in the joint ventures would be entitled to have majority on the Board of Directors as per the established policy. This does not however, preclude Indian partners from having any control at all in the join venture.

Penal Interest on Income Tax

1175. SHRI PRABHU DAYAL KATHERIA : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have recently reduced penal interest on late filing of income tax returns and also on defaults in payment of advance tax; and

(b) if so, the details thereof alongwith the reasons therefor?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) Yes, Sir.

(b) A copy of the order issued in the matter is enclosed as Statement. The order has been issued in order to avoid undue hardship to the assesses.

STATEMENT

F.No.400/234/95-IT(B)
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, the 23rd, May, 1996.

Order Under Section 119(2) (a) of the Income-tax Act, 1961

In exercise of the powers conferred under clause (a) of sub-section (2) of section 119 of Income-tax Act, 1961, Central Board of Direct Taxes, hereby direct that the Chief Commissioner of Income-Tax and Director-General of Income-tax may reduce or waive interest charged under section 234A, or section 234B or section 234C of the Act in the classes of cases or classes of income specified in paragraph 2 of this Order for the period and to the extent the Chief Commissioner of Income-tax/Director-General of Income-tax deem fit. However, no reduction or waiver of such interest shall be ordered unless the assessee has filed the return of income for the relevant assessment year and paid the entire tax due on the income as assessed except the amount of interest for which reduction or waiver has been requested for. The chief Commissioner of Income-tax or Director-General of Income-tax may also impose any other conditions deemed fit for the said reduction or waiver of interest.

2. The class of incomes or class of cases in which the reduction or waiver of interest under section 234A or section 234B or, as the case may be, section 234C can be considered, are as follows :

(a) Where during the course of proceedings for search and seizure under section 132 of the Income-tax Act, or otherwise, the books of account another incriminating documents have been seized and for reasons beyond the control of the assessee, he has been unable to furnish the return of income for the previous year during which the action under section 132 has taken place, within the time specified in this behalf and the Chief Commissioner or, as the case may be, Director-General is satisfied having regard to the facts and circumstances of the case that the delay in furnishing such return of income cannot reasonably be attributed to the assessee.

(b) Whether during the course of search and seizure operation under section 132 of the Income-tax Act, cash is seized which is not allowed to be utilised for payment of advance tax instalment or installments as they fall due after the seizure of cash and the assessee has not paid fully or partly advance tax on the current income and the Chief Commissioner or the Director General is satisfied that the assessee is unable to pay the advance tax.

(c) Any income chargeable to income-tax under any head of income, other than "Capital gains' is received or accrued after due date of payment of the first or subsequent instalments of advance tax which was neither anticipated nor was in the contemplation of the assessee and the advance tax on such income is paid in the remaining instalment or instalments and the Chief Commissioner or Director General is satisfied on the facts and circumstances of the case that this is a fit case for reduction or waiver of interest chargeable under section 234C of the Income-tax Act.

(d) Where any income which was not chargeable to income-tax on the basis of any order passed in the case of an assessee by the High Court within whose jurisdiction he is assessable to income-tax, and as a result;

he did not pay income-tax in relation to such income in any previous year and subsequently, in consequence of any retrospective amendment of law or as the case may be the decision of Supreme Court in his own case, which event has taken place after the end of any such previous year, in any assessment or re-assessment proceedings the advance tax paid by the assessee during the financial year immediately preceding the relevant assessment year is found to be less than the amount of advance tax payable on his current income the assessee is chargeable to interest under section 234B or section 234C and the Chief Commissioner or Director General is satisfied that this is a fit case of reduction or waiver of such interest.

(e) Where a return of income could not be filed by the assessee due to unavoidable circumstances and such return of income is filed voluntarily by the assessee or his legal heirs without detection by the assessing officer.

3. The Chief Commissioner of Income-tax/Director-General of Income-tax may order the waiver or reduction of interest under section 234A, 234B, and 234C under this order with reference to the assessment year 1989-90 or any subsequent assessment year but shall not so reduce or waiver penal interest in those cases where waiver or reduction of such interest has been rejected in the past on the merits of the case. If any petition in the past has been rejected because the Board had not issued this direction earlier, these may be reconsidered and decided in accordance with this order.

Sd/-

(Y.P. Vashishat)
Under Secretary
Central Board of Direct Taxes

Copy to :

1. All Chief Commissioner/Director-General of Income-tax
2. All Directors of Income tax.
3. C&AG of India (40 Copies)
4. Joint Secretary & Legal Adviser, Ministry of Law, Shastri Bhavan, New Delhi
5. Bulletin Section, Directorate of Income tax (RSP&PR), New Delhi

Sd/-

(Y.P. Vashishat)
Under Secretary
Central Board of Direct Taxes

India's Share in World Trade With WTO Agreement

1176. SHRI K.C. KONDAIAH : Will the Minister of COMMERCE be pleased to state :

(a) whether India has increased its share of world trade and improved its world ranking both as an exporter and as an importer according to recent provisional world trade organisation data;

(b) if so, the details thereof; and

(c) the action proposed to be taken to improve its position during the next two or three years?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). According to available WTO statistics, India's share and ranking as exporter and importer in world merchandise trade during 1994 and 1995 improved as follows :

	%Share		Rank	
	1994	1995	1994	1995
Exporter	0.6	0.6	32	31
Importer	0.6	0.7	29	28

(c) Increased exports would improve India's share in world trade and its rank as exporter. Therefore, export promotion measures are continuously being taken by the Government through policy and promotional schemes. These includes implication of export import procedures, improving efficiency & competiveness, focusing on quality and technology upgradation and efforts to actively involve the State Governments in export promotion. Export promotion is a continuing activity based on an interaction with industry, trade and other export promotional institutions.

Proposal From Foreign Investors

1177. DR. KRUPASINDHU BHOI
SHRI SANDIPAN THORAT

Will the Minister of INDUSTRY be pleased to state :

(a) whether a large number of proposals from the foreign investors are pending before the Foreign Investment Promotion Board,

(b) if so, the details thereof;

(c) the steps taken by the Board to take decision on those proposals;

(d) the total number of projects for Foreign Investment cleared by the FIPB during the last three years and the actual investment made/materialised; and

(e) the total number of approved projects which have yet to be started or materialised?